

Message Text

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43

ACTION ARA-20

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NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2245

C O N F I D E N T I A L CARACAS 11017

E.O. 11652: GDS

TAGS: PINT

SUBJECT: INTERVIEW WITH PRESIDENT-ELECT PEREZ

REF: STATE 246933

1. I CALLED THIS AFTERNOON ON THE PRESIDENT-ELECT OF VENEZUELA AND PRESENTED THE MESSAGE FROM PRESIDENT NIXON SET FORTH REFTEL.

2. CARLOS ANDRES LOOKED IN TOP FORM. HE WAS OBVIOUSLY DELIGHTED WITH HIS VICTORY AND APPEARED LEANER AND YOUNGER THAN WHEN I LAST SAW HIM WHEN HE LUNCHEDED AT THE RESIDENCE SOME FOUR OR FIVE MONTHS AGO. DELIGHTED WITH OUR PRESIDENT'S MESSAGE, HE AGREED WITH ME WHEN I OBSERVED THAT THE TWO VICTORS IN THE RECENT VENEZUELAN ELECTIONS WERE CARLOS ANDRES PEREZ AND THE VENEZUELAN VOTER.

3. THE PRESIDENT-ELECT SAID THAT HE CONFRONTED MANY PROBLEMS OF WHICH THE PRINCIPAL ONES WERE THE MANAGEMENT OF VENEZUELA'S PETROLEUM RESOURCES AND ITS UNEXPECTEDLY HUGE INCREMENT OF INCOME FROM OIL. HE CLEARLY RECOGNIZED THE DANGERS OF INFLATION AND SAID THAT HIS IMMEDIATE PROBLEMS WOULD BE THOSE OF MANAGEMENT, BOTH OF INCOMING REVENUE AND OUTGOING OIL.

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HE AGREED WITH ME THAT MEANS MUST BE FOUND TO MAKE THE

TRANSITION BETWEEN THE RELATIVELY SIMPLE EXTRACTION OF CONVENTIONAL PETROLEUM AND THE TECHNICALLY MUCH MORE DIFFICULT AND COSTLY TASK OF TAPPING VENEZUEL'S UNUSED RESOURCES IN THE ORINOCO BELT.

4. THE PRESIDENT-ELECT WAS RECEPTIVE WHEN I SAID THAT WE IN THE EMBASSY HAD BEEN STUDYING WAYS AND MEANS OF BEING MORE RESPONSIVE TO VENEZUELA'S LEGITIMATE DESIRES IN TERMS OF TWO-WAY TRADE. I RECALLED THAT ALMOST THREE YEARS AGO IN A SPEECH TO THE VENEZUELAN ASSOCIATION OF EXECUTIVES I HAD PROPHESED THAT WITH PROPER DISCIPLINE OF THE HUMAN ELEMENT, VENEZUELA COULD BECOME THE JAPAN OF SOUTH AMERICA SINCE IT HAD SUCH ABUNDANT RESOURCES OF RAW MATERIALS AND ENERGY.

5. WHEN CARLOS ANDRES EXPRESSED CONCERN AS TO HOW HE COULD HANDLE THESE PROBLEMS AND DEVELOP A NEW INDUSTRIALIZED VENEZUELA, I REMINDED HIM THAT IT WAS NOT NECESSARY TO INVENT THE WHEEL TO BECOME AN INDUSTRIAL STATE. VENEZUELA COULD EASILY IMPORT TECHNOLOGY FROM ADVANCED INDUSTRIALIZED COUNTRIES AND IN FACT BY PAYING FOR SUCH SPECIALIZED SKILLS AND KNOWLEDGE ELIMINATE MUCH OF THE EVOLUTIONARY PROCESS THROUGH WHICH OTHER NATIONS HAD BECOME INDUSTRIAL POWERS.

6. THE NEW PRESIDENT-ELECT SAID THAT BY JANUARY 2 HE HOPED TO HAVE A STAFF ORGANIZED AND TO BE ABLE TO FUNCTION IN PREPARATION FOR TAKING OVER THE OFFICE OF THE PRESIDENCY. HE LISTENED APPRECIATIVELY WHEN I SAID THAT IT WAS OUR PRACTICE IN WASHINGTON FOR THE PRESIDENT-ELECT TO APPOINT A SPECIAL REPRESENTATIVE AT LEAST TO THE DEPARTMENT OF STATE TO BE KEPT AU COURANT OF PROBLEMS IN FOREIGN POLICY. I CITED AS THE MOST RECENT INSTANCE THE APPOINTMENT BY PRESIDENT NIXON OF FORMER AMBASSADOR ROBERT MURPHY, MY OLD CHIEF IN BRUSSELS, AS SUCH A REPRESENTATIVE TO THE OUTGOING SECRETARY OF STATE.

7. I ALSO INQUIRED OF CARLOS ANDRES IF HE PLANNED TO HAVE REPRESENTATION ON THE VENEZUELAN DELEGATION WHICH WILL MEET WITH SECRETARY KISSINGER IN MEXICO CITY NEXT FEBRUARY. HE RESPONDED THAT INDEED THIS WOULD BE THE CASE AND RECALLED THAT HE HAD RECENTLY SENT AN UNOFFICIAL REPRESENTATIVE TO TEHRAN FOR THE LAST OPEC OIL TALKS.

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8. OUR CONVERSATION WAS INTIMATE AND CORDIAL. CARLOS ANDRES WAS PLEASED WHEN I CONVEYED THE CONGRATULATIONS OF FRANK DEVINE AND BILL LUER*. HE SAID, "I TOLD LUERS BEFORE HE LEFT THAT IF I WON THE ELECTIONS, HE WOULD BE A SPECIAL GUEST AT MY INAUGURATION."*

9. THE MOST IMPORTANT MESSAGE RESULTING FROM THIS INTERVIEW WAS THE PRESIDENT-ELECT'S EARNEST ASSURANCE THAT HE WANTED TO

TALK QUICKLY WITH THE UNITED STATES ON OUR MUTUAL PETROLEUM INTERESTS, COVERING APPARENTLY EVERY ASPECT OF THOSE RELATIONSHIPS FROM PRESENT DAY OIL PRODUCTION AND REVENUES TO THE TRANSITION BETWEEN NOW AND ;983, THE REVERSION LAW AND THE ULTIMATE DEVELOPMENT OF THE ORINOCO BELT. HE SAID SEVERAL TIMES THAT HE WANTED THESE CONVERSATIONS TO BEGIN AS QUICKLY AS POSSIBLE. I SAID HE WOULD FIND AN EQU*LLY READY RESPONSE IN TERMS OF TIMING FROM THE U.S. SIDE.
MCCLINTOCK

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